GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3037
ANSWERED ON:10.08.2001
INVESTMENT BY GIC INSURANCE
ASHOK ARGAL;BRAJ MOHAN RAM;RAGHURAJ SINGH SHAKYA;SUBODH ROY

Will the Minister of FINANCE be pleased to state:

(a) the number of shares purchased by the General Insurance Company from Mumbai basedSound Craft Limited during 2000-2001 on private placement basis and the amount spent by GIC in this regard;

(b) the value of the shares of the said company at the time when they were purchased;

(c) the present value of shares of the said company;

(d) the total loss incurred by the GIC on the purchase of aforesaid shares; and

(e) the remedial steps taken in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATH):

(a) General Insurance Corporation of India (G1C) subscribed to 1,40,000 equity sharesof Soundcraft Industries Ltd. in the year 2000-2001 on private placement basis. The Corporation spent an amount of Rs. 645.05 lacs towards subscription of these shares.

(b) The acquisition cost per share was Rs. 460.75 and the market value of the same onthe date of purchase i.e. on 30.6.2000 was Rs. 540/- per share.

(c) The market value of share of said company on 02.08.2001 was Rs. 506.60 per share on Bombay Stock Exchange and Rs. 507.10 per share on National Stock Exchange.

(d) So far, G!C has sold 16,846 shares for a value of Rs. 90.99 lacs booking a totalprofit of Rs. 13.38 lacs. GIC is currently holding 1,23,154 equity shares. Based on the average cost price of Rs. 460.75 and market price of Rs. 507.10 per share, the total appreciation on their holding is Rs. 57.08 lacs.

(e) Not applicable.